

NEW BUSINESSES BORN OUT OF IDEAS FROM YOUNGER GENERATIONS

DIALOGUE 04 — KIMIHIRO KATSUMI — YUTO TOMITA
— YUSUKE MIZUNO — HIROYA NAKAMURA

New Businesses Created from the Ideas of Younger Generations

Future Accelerator Gateway is a program through which members of younger generations are invited to propose business ideas with the potential to change the future. Those ideas selected are refined over a period of roughly three months through collaboration with the presidents of start-ups and employees of MARUI GROUP. The first iteration of this program was held over the period from December 2020 to March 2021. We met with two representatives of younger generations who participated in this iteration of the program to hear about their experiences in the program, what they learned from it, and the possibilities for the future.

Please refer to the following website for more information on Future Accelerator Gateway 2020 (in Japanese only).

www.0101maruigroup.co.jp/future/archive/001.html

Futures Shaped by Program Participants

Nakamura: It has been a while. In Future

Accelerator Gateway, I participated as a MARUI GROUP mentor in the Allesgood team led by Mr. Katsumi. Mr. Mizuno, meanwhile, attended to all teams, offering valuable input as an entrepreneur mentor. Today, I wanted to hear about your perspectives on the program. Let's start by introducing ourselves. Would you like to go first, Mr. Mizuno? Mizuno: Sure. My name is Yusuke Mizuno. I started an educational technology venture company called Life is Tech in 2010. This company teaches junior high and high school students about IT and computer programming. We are not only about teaching, though. We have set a medium-term target of fostering 1.2 million innovators by 2025. By fostering such innovators, we hope to cultivate a capacity to change society and support people's happiness. Life is Tech shares MARUI GROUP's vision: We want our business to contribute to a better society

Katsumi: I am Kimihiro Katsumi, CEO of Allesgood. This company offers

for future generations.

ETHICAL SHUKATSU, a job-hunting platform designed to introduce companies actively addressing climate change, poverty, and other social issues to students looking to work at such companies. My decision to start such a company was based on the struggles I personally faced finding a job. I had wanted to choose a company from the perspective of social issues, but there was no effective means of searching for such companies at the time. This experience led to the idea for ETHICAL SHUKATSU. I like to think I am quick to act, and when the idea sprung into my head, I immediately registered it as a company. It was around that time that I learned of the Future Accelerator Gateway program, and I jumped on the opportunity. Nakamura: I understand the ETHICAL

Nakamura: I understand the ETHICA SHUKATSU platform is already in service.

Katsumi: It has only been about three months since we launched the platform, and we have just now reached the phase at which we are identifying and addressing user issues. Our mission is to accelerate the move toward sustainability in industry, in businesses. Human resources are a crucial management resource. By

matching companies dedicated to resolving social issues and bettering the future with human resources who look to do the same, we hope to foster innovators who can achieve the desirable impacts advocated by Mr. Mizuno and MARUI GROUP.

Mizuno: Your presentation for the Future Accelerator Gateway program was really impressive, and you yourself have a certain appeal. At first, you seemed to lack the skills to implement the idea for ETHICAL SHUKATSU, but the idea itself was really good as it coincided with the times.

Katsumi: Thank you. Despite your kind words, it was not me, but Mr. Tomita's team that took first place.

Nakamura: That makes for a good segue; Mr. Tomita, would you like to introduce yourself and explain your business idea and reason for participating in the Future Accelerator Gateway program?

Tomita: Yes. My name is Yuto Tomita. I am looking to develop a textbook distribution service for students who are unable to purchase textbooks due to economic reasons. In Japan, there is currently a move to digitize junior high and high school textbooks. I see no reason why we can't do this for university textbooks, and I therefore plan to develop a service that will allow for textbooks to be viewed via a smartphone or computer. I found out about



Kimihiro Katsumi

Representative Director and CEO Allesgood Inc.

Born in 1998, Kimihiro Katsumi founded Allesgood Inc. in response to issues he saw with the existing job-hunting process in Japan. This company operates ETHICAL SHUKATSU, a more social issue-oriented version of a LinkedIn-type platform designed to introduce ethical companies seeking to resolve social issues to talented students.

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Future Accelerator Gateway because my two teammates and I were working as mentors for junior high and high school students at Life is Tech. We decided that we wanted to try to create something, and this led to our decision to enter the program.

Nakamura: How far has your service come along?

Tomita: At the moment, we are working with a university accelerator program to build connections with publishers. Our service is dependent upon the cooperation of the publishers who hold the copyrights to the books we hope to digitize and distribute. However, there are many people in publishing who still are averse to digitizing books. Even if we are able to launch this service, the first issue we will need to address will be the fact that a large number of students lack the credit cards necessary to use subscription services. In the Future Accelerator Gateway program, we advanced discussion based on the assumption that we would be collaborating with MARUI GROUP. This gave rise to the ideas of linking the service to EPOS cards or issuing prepaid cards that could be used with the service.

Freedom of Youth

Katsumi: Aside from missing out on first place, there is something else that really

stuck with me from the program. Two days before the final presentation, I had the chance to give a preliminary presentation to Mr. Mizuno. At the same time, we had already received a contract for our service from a customer, and we had a rough date of when we would start to record sales. I was therefore sure that we would get first place. However, Mr. Mizuno said our preliminary presentation was "boring."

Mizuno: I don't recall saying that (everyone laughs).

Nakamura: From my standpoint as a mentor, I thought "this is bad." However, when we looked back at the presentation materials, I could see what you were talking about. The presentation looked like one that a major company would do to try and secure a budget. It really was boring. The problem could be traced back to us, the members of the team from MARUI GROUP. Based on our own preconceptions, we had suggested that the presentation be made more logical. Katsumi: I cannot remember a time when I have felt more unnerved. Then, Mr. Mizuno told me that the presentation just didn't seem like me. It was then that it hit me. I had focused so much on rational explanations that I had inadvertently stripped the passion out of the presentation. We completely reworked the presentation over the next two days to better communicate our passion. This



Yuto Tomita

Born in 1999, Yuto Tomita acted as a programming mentor at Life is Tech while he was in university. He

Mizuno: If you had given up there, you would have failed as an entrepreneur. I made a point of speaking my mind with no concern about how you would react to it. If you cannot respond appropriately to criticism, you are not cut out to be an entrepreneur. People grow not with time, but rather through an ongoing process of responding to criticism. You, Mr. Katsumi, are here today because you were able to respond appropriately to such criticism.

Tomita: I too took a very orthodox approach toward the program. Luckily, Mr. Mizuno helped me amend my approach. There is a law that says digitized books cannot be borrowed or lent, so I was convinced that we would have to distribute printed books. However, there was no way we could make that profitable. After struggling with this of preconceptions. He also suggested that I start by making a product I could over the course of two weeks. I was shocked at how many publishers were came up with a product.



established iisa to develop a textbook distribution service for university students, and he is currently working to commercialize this service

experience taught me the importance of looking forward when we fail.

quandary for about a month, Mr. Mizuno told me that I should try and free myself show publishers. We made this product now willing to take us seriously after we

Nakamura: I was surprised by your swift ability to transform your idea into an implementable form. At MARUI GROUP. it is a shared assumption that developing an app or some other product requires a significant amount of time and money.

Mizuno: Students can get it done in two weeks (laughs). Companies tend to be predisposed to underestimating the abilities of students, but they are often impressed when they actually see them in action. A major benefit of youth is the freedom that allows you to tackle challenges that large companies tend to shy away from.

IT and Programming Skills That Help Make Lives Better

Katsumi: IT and digital technologies have made it easier for a single person, even a student, to take action to resolve social issues. ETHICAL SHUKATSU is a digital job-hunting platform that matches companies with students. If we had to match people in the same way without IT and digital technologies, it would be super expensive.

Tomita: I agree. Launching a business or service is something that has been made much more accessible thanks to IT and digital technologies. The idea of just starting with a prototype is still applicable today, and it would not be an exaggeration to say that this type of thinking changed my life.

Nakamura: The MARUI GROUP employees that took part in Future Accelerator Gateway as mentors felt the same. We realized that we too could make something new. In fact, after the program, I made an app for the new business I oversee. I surveyed and interviewed customers while showing this app. The response was 100% different from the ones I was used to getting with paper proposals.

Mizuno: This is what digital transformation means. People learn programming to make products, and those products have the potential to change someone's life for the better or to lead to the

creation of more convenient services. In Japan, information technology will become a required course for high school students in April 2022, and it is slated to show up on the shared firstphase university entrance exam in 2025. This means that a future in which all students will have basic programming knowledge when they join the workforce is not far off. Programming will become a basic work skill just like English.

Katsumi: The part of participating in Future Accelerator Gateway I am most thankful for was the opportunity to hear about the feelings and success stories of people who are truly committed to changing the world like Mr. Mizuno and President Aoi. In the future, I hope to use what I have learned to help junior high and high school students with a similar drive to chase their ambitions.

Mizuno: I hope you will do just that. Junior high and high school students are generally not moved by the words of adults. This is why Life is Tech employs mentors in their 20s to teach students. Rather than being taught by a 40-something with teaching skills, learning from someone in their 20s, who seems cool and relatable, is more valuable in terms of changing a student's life. This is true even if the mentor lacks teaching skills.



Hiroya Nakamura

Co-Creative Media and Business Management Officer D2C & Co. Inc.

Hiroya Nakamura joined MARUI GROUP in 2015, and in 2020, he was charged with overseeing a new business as the co-creative media and business management officer of D2C & Co. Inc. He has also been involved in the launch and operation of 5PM Journal, Japan's first D2C brand curation website (in Japanese only).

5pmjournal.com/

Nakamura: Future Accelerator Gateway is a program brimming with potential. It creates businesses that we would have never imagined. I see the possibility for us to change the future of MARUI GROUP through synergies with these businesses. I also want to increase the number of co-creative partners we have among younger generations, like you two. The more such partners we have, the more force we will have propelling us toward our desired impact.





Yusuke Mizuno Representative Director and CEO Life is Tech, Inc.

Yusuke Mizuno was born in Hokkaido in 1982, During his time at graduate school, Mizuno spent two year as a part-time physics teacher at a high school. After completing the graduate program, he joined a human resource consulting firm. It was in July 2010 that Mizuno founded Life is Tech, Inc., and this company formed a capital alliance with MARUI GROUP in 2019. Through this company he started up Life is Tech!, a ogramming and IT camp and education program or junior high and high school students that employs Feducation methods used in Silicon Valley.

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